

## Agenda item 6

For decision: To approve the financial report at 30 April 2019

Author: Hannah Paniccia, Finance Administrator

### Summary

This report provides an update on the finances of the Town Council. It includes an income and expenditure sheet, a balance sheet, spending on items over £500, status of reserves and any specific items to bring to Cllrs' attention.

I am happy to answer any questions at the meeting but if you require any specific information, please let me know beforehand by emailing [hpaniccia@frometowncouncil.gov.uk](mailto:hpaniccia@frometowncouncil.gov.uk).

### Income and expenditure

A breakdown of budgeted income and expenditure up until 30 April 2019 is shown at [Appendix 6.1](#)

#### April income highlights

Budget code	From	Description	Amount
1076/900	Mendip District Council	Half of precept received for 2019/20	£671,686
105	HMRC	VAT return payment from January – March 2019	£10,983
1070/502	Jay Miller's Circus	Circus on The Old Showfield 25 - 28 April	£458

#### April expenditure highlights

Budget code	To	Description	Amount
4025/802	Zurich	Insurance 7 April 2019 – 6 April 2020	£10,570
4745/502	Purple Elephant	PB grant for Frome Children's Festival summer project	£6,076
4510/710	Public Works Loan Board	Half year of one of the Public Works Loan Board repayments for Frome Town Hall	£5,508
4745/502	Active and In Touch	PB grant for Active Thanksgiving Frome - Grow, Make and Eat	£4,000
4050/710	Public Works Loan Board	Half year Public Works Loan repayments for The Old Showfield	£3,631

## The Balance Sheet

The Balance Sheet at [Appendix 6.2](#) is a breakdown of assets and liabilities as at 30 April 2019.

### Assets

Our assets are money in our bank account, money we have invested and money owed to us.

The first part of the Balance Sheet details short term investments and other assets totalling £1,267,502.

Broken down, the investments are £203,982 (Triodos), £2,048 (CCLA), £205,602 (Charity Bank Community Account), £203,881 (Charity Bank Saver Account) £1,037 (Mendip Credit Union) and £10,098 (Barclays Savings).

Other assets are as follows:

- Trade debtors £9,216 – this is the balance of outstanding invoices we have sent out.
- VAT control £1,870 – this is the amount due to us from HMRC.
- Debtors C&G Trust Loan £2,721 – this is the amount due to us from the Cheese and Grain.
- Petty cash £167 – this is the amount of petty cash we have for the office and for the park office.
- Current account £626,880 – this is the amount we had in our Barclays current account at 30<sup>th</sup> April.

Sarah Williams, Business Manager, at the time of writing (May) has invested £300,000 from our Barclays Current Account into the following accounts; £100,000 in Barclays Savings Account, £100,000 in Charity Bank Community Account and £100,000 in Charity Bank Saver Account.

### Liabilities

Our liabilities are money that we owe.

The liabilities include trade creditors which are £9,188. This is the balance outstanding at 30 April 2019 for invoices received from our suppliers. The -£8 is in our National Express control account for tickets we sell on their behalf. This is showing as a minus as we have paid their invoice, but we have not yet banked the cash from the sales. The £270 is a control account for iZettle, when entering in the cash books we post the card sales to this and we also post the money deposited into our account from iZettle. These balance each other out and the income is posted to the correct income codes, this could be for tickets, sales or even room hire if paid by card.

Taking liabilities away from assets we have a net asset amount of £1,258,052.

### Reserves

The second part of the Balance Sheet shows what reserves we have allocated our net asset amount of £1,258,052. There are two parts to the reserves. The General Reserve, which shows as £834,759 is a variable figure which rises and falls during the year but should not fall below £180k according to our current Financial Regulations.

The Earmarked Reserves total £423,293. These EMRs were agreed at Full Council on 15 May.

The General Reserve (£834,759 plus the total amount allocated to EMRs £423,293) equals £1,258,052 – the same as the net asset amount.

#### Payments over £500

Payments over £500 for February 2019 to April 2019 are shown at [Appendix 6.3](#). All invoices are signed off by the relevant member of staff before payment is made. If you have any questions regarding this part of the report, it would be helpful if these could be sent in advance of the meeting.

#### Financial notes

We have £10,000 (1010/500) income budgeted for grant funding towards the Bin It campaign. We think it is unlikely that we will receive the funds for this project from a grant application we have already put in. Rachel Griffin, Marketing and Communications Manager, is looking into other ways to receive funding towards this. The expenditure is included in 4033/500 and will not be spent until we find alternative funding.

Victoria Park Office (4435/501) is currently showing as an overspend. This is due to a new alarm being fitted and improvements to the Victoria Park Office yard. This is also the budget that the Environment team's mobile phone costs come from and this is what the commitment is for. Sarah is looking into the mobile costs to ensure we are paying a competitive rate.

We have unbudgeted income of £400 (1075/501) this is due to selling our Echo Chipper. The chipper was for domestic use, purchased years ago and was not really suitable for use in public spaces. The income will go towards hiring a more appropriate chipper as and when it is needed.

Our Civic budget (4312/800) has gone overbudget - this budget hasn't been increased since 2017/18, but will be looked at when we budget for 2020/21.

#### Conclusion

FTC remains financially sound with adequate funds for budgeted 2019/20 expenditure.

#### Recommendation

Cllrs are requested to approve the:

1. Income and expenditure sheet
2. The balance sheet
3. The breakdown of reserves
4. The payments made over £500